DOCUMENT RESUME

ED 164 784 08 CE 017 863

TITLE	Achieving Success in Small Business. A Self-Instruction Program for Small Business Owner-Managers. Creating an Effective Business Image.
INSTITUTION	Virginia Polytechnic Inst. and State Univ., Blacksburg. Div. of Vocational-Technical Education.
SPONS AGENCY	Office of Education (DHEW), Washington, D.C.
BUREAU NO	498AH60108
PUB DATE	[77]
GRANT	G007603754
NOTE	22p.; Not available in hard copy due to reproducibility problems; For related documents see CE 017 858-871
EDRS PRICE	MF-$0.83 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS	Adult Education; *Business Education; *Business Skills; *Distributive Education; Independent Study; Individualized Instruction; Learning Modules; *Management Education; *Performance Based Education
IDENTIFIERS	Small Businesses

ABSTRACT

This self-instructional module on creating an effective business image is the fourth in a set of twelve modules designed for small business owner-managers. Competencies for this module are (1) identify the key factors which contribute to formation of a business image and (2) assess your current image and determine if it communicates the appropriate impression to the public. Provided are information sections on why be concerned about a business image and elements which shape a business image (e.g., appearance, personnel, type of merchandise, advertising). Also provided are two learning activities designed to assess the basic elements which shape a business image and to assess a philosophy of doing business, one pamphlet from the Small Business Administration ("Knowing Your Image"), and a script from a cassette tape designed for use with this module. (The final report of this project is available as CE 017 858.) (JH)

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Developed Pursuant to Grant No. 007603754

By

Distributive Education Program Area
Division of Vocational and Technical Education
Virginia Polytechnic Institute and State University
Blacksburg, Virginia 24060

Funded By

United States Office of Education

PURPOSE

One of the most important assets you can develop is your business image. The term "image" is used to describe how the public "feels" about your business. Your ability to attract and keep customers coming back will be determined by the overall impression your firm communicates to the public. The purpose of this module is to describe the factors which shape a business image. Examination of these elements will enable you to assess your own image and decide whether or not it is appropriate for the customers you wish to serve.

COMPETENCIES

Upon the completion of this module you will be able to:

1. Identify the key factors which contribute to formation of a business image.

2. Assess your current image and determine if it communicates the appropriate impression to the public.

INSTRUCTIONS

Before reading the material which begins on page 2, listen to the cassette entitled "Creating An Effective Business Image."

WHY BE CONCERNED ABOUT YOUR BUSINESS IMAGE?

The small business owner-manager must be concerned about the firm's image because the flow of customer traffic depends on it. When you listen to consumers discuss their shopping preferences, it becomes clear that they make buying decisions based on very little information. The following comments are typical:

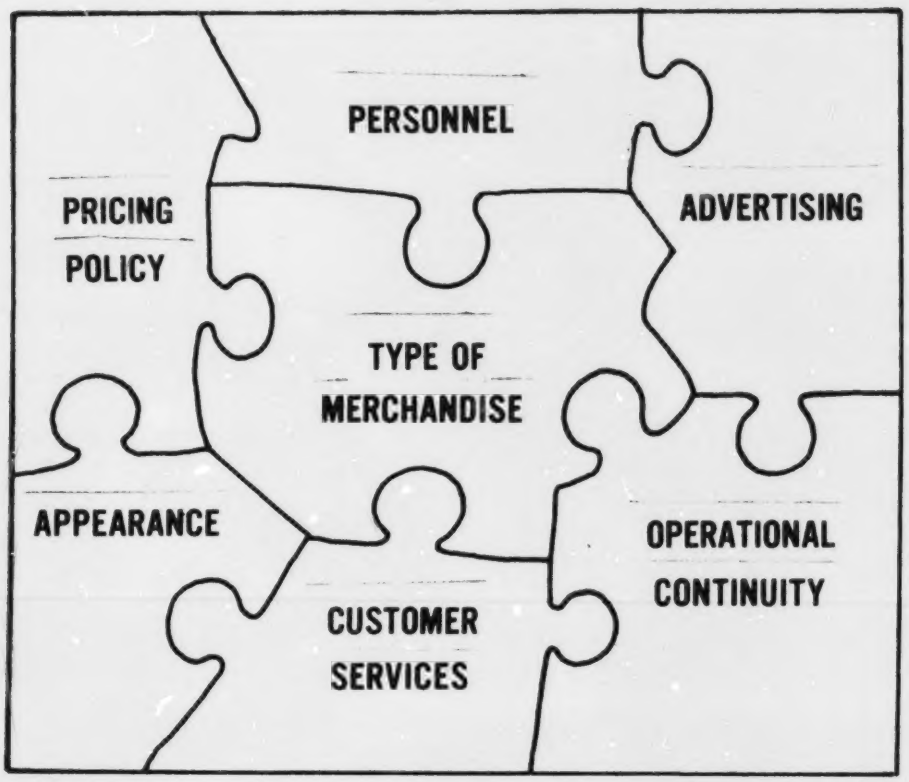
"The prices at Simpson's Drive-In are too high.'

"I shop at Wyler's because the employees are friendly."

"I won't buy my clothing at a discount house."

The image which people have of your business may be accurate or quite different from actual conditions. Either way, the impression they have will encourage or discourage shopping at your firm.

In some respects the business image is like a picture puzzle. It is made up of many different parts and when one part is missing, the picture is not complete. When potential customers lack certain information about your business, or possess information which is not accurate, they usually go somewhere else.



A consumer interested in buying furniture, for example, will ask several questions. What type of furniture does the store sell? Is credit available? Does the store have a return policy? How long do I need to wait for delivery? All facets of the business image should be clearly communicated to the buying public. Keep in mind it is the consumer who is the best judge of whether or not your business image is satisfactory. Try to examine your own image through the eyes of customers you wish to serve.

WHAT ELEMENTS SHAPE YOUR BUSINESS IMAGE?

Specific features of your business provide the elements that make up its image. By examining each of the elements you can determine the kind of image you want your customers to have.

1. Appearance

The front of your business is a form of advertising 24 hours a day. For many customers it provides the first impression of your firm. Does it attract customers? How about the inside? Does the layout and decor convey a favorable impression to the customers you wish to serve? Is your business neat and clean?

2. Personnel

Recently a study was conducted to determine why customers stopped shopping at certain stores. An indifferent attitude displayed by employees was mentioned by 68% of those surveyed. The impression which customers have of the owner-manager and all employees will often influence sales. Customers want to be served by employees who are properly trained, friendly, courteous, and helpful.

3. Type of Merchandise

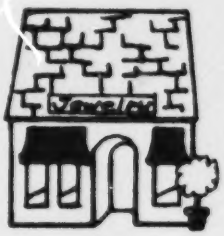
Your image improves when customers find in your business a product or service that they like but don't find in other places. On the other hand, failure to carry certain items may tarnish your image. The key is knowing the preferences of your customers.

4. Price Policy

Prices must be established in relation to other elements of your business. For example, a convenience food store usually charges more for food items than a supermarket. In return for slightly higher prices, the customer can shop at a store which is conveniently located near his/her home and open longer hours.

5. Customer Services

The owner of a small jewelry store found that customer traffic improved once engraving service was added. This service was not available at some competing stores. It is a good idea to determine what customer services appeal to people in your community. Identify a service that may give you the "cutting edge" in competition.



6. Advertising

Advertising tells people whether your business is modern or old-fashioned, low-price or high-price, small or large. For example, when printed ads are full of heavy block print, customers get an image of low prices. On the other hand, an abundance of white space communicates quality. Advertising should be carefully planned because it further shapes the image of your business in the eyes of the public.

7. Operational Continuity

The Holiday Inn Corporation once sponsored an advertising campaign which emphasized the theme "Your biggest surprise is no surprise." Management wanted to emphasize that the quality of service would not vary from one location to another. A small business should also strive for operational continuity. Customers generally will continue to buy at a business where they know what to expect.

ATTENTION

It is important that you read the preferred reading entitled "Knowing Your Image" before completing the learning activities.

NOTE: Please turn to page 5 and complete learning activity number one.

INTRODUCTION:

The business image you create will determine, to a large extent, your ability to attract and keep customers coming back. The term image is used to describe how the public feels about your business. Their feelings may accurately describe your business or they may be quite different from actual conditions. But what the public thinks will actually determine which business they patronize.

Let's drop in on Carol Davis and Sue Perez and learn how they make decisions regarding where to shop.

BACKGROUND: WATER RUNNING - CLINKING DISHES

DOORBELL: TURN OFF WATER

Sue: Just a moment, please. (PAUSE) Hello.

Carol: Hi. I'm Carol Davis, your next door neighbor. I'm not interrupting anything, am I?

Sue: No. As a matter of fact I just finished doing the dishes. Please come in and sit down.

Carol: Here, I brought a little something to welcome you to the neighborhood. I hope you and your husband like beef stew.

Sue: We certainly do. Thanks, that's very considerate of you. To tell the truth I was wondering what to have for supper tonight. With all the unpacking and arranging of the house I haven't had an opportunity to do the grocery shopping.

Carol: I know what you mean. When Ted and I moved here last fall we went through the same thing. It certainly can be hectic.

Sue: Especially knowing where to do your shopping.

Carol: Have you visited at any of the local stores yet?

Sue: I did stop at Rosenthal's yesterday to look for some furniture. I saw several things I liked, but the prices were something else!

Carol: Really? I haven't been there myself. I do know that Shoen's is very reasonable. I bought an early American rocker there a few weeks ago and got a real good buy.

Sue: I went by there, but didn't bother to go in. I guess I just assumed after watching their ad on TV that they sell only modern furniture. Not only that, but their displays gave me the impression everything would be high priced.

Carol: Well, Kelly Grayson was the one who told me how reasonable their prices are. Otherwise, I'm sure I would have been like you and never bothered to shop there.

Sue: It's funny, Rosenthal's left me with just the opposite impression. Their store has the appearance of a discount place. In fact, their sales people didn't seem very knowledgeable about what they're selling. I just assumed their prices would be much lower.

Carol: Not trying to change the subject, but are you planning on going to the Harrington's barbecue?

Sue: You know I'd really like to, but after unpacking all my things I've discovered I don't have anything that's right to wear. Of course, don't tell my husband I said that. He saw an old pair of peddle pushers I've had since high school, and told me he thought those would do just fine, can you imagine!

Carol: Sounds familiar! (LAUGHING)

Sue: Seriously though, where is there a good place in Plainfield to shop for casual clothes? I certainly don't want to run into the same problem I had with shopping for furniture.

Carol: Have you tried the Far-Out Fashion Boutique?

Sue: No, I don't think I've heard of it.

Carol: I just happened to hear their ad over the radio when Ted was listening to the football game a couple of weeks ago. Seems like they have reasonable prices.

Sue: But, Far-Out Fashions?

Carol: I know - but their name doesn't really describe the type of clothes they carry. I was fooled myself when I saw how many teenagers were going in there, until my daughter told me they had nothing she liked. Old fogy clothes, she called them.

Sue: Well, maybe I'll stop by tomorrow and see what I can find.

(CAR HORN)

Carol: I think your husband just drove in the driveway.

Sue: That's funny, I wonder what he's doing home so early.

(DOOR OPENING--CLOSING) (PAUSE)

Bob: Hi, Sue.

Sue: Bob, this is Carol Davis, our next door neighbor.

Bob: It's nice to meet you, Carol.

Carol: Hello.

Sue: Why are you home so early?

Bob: I left work early to shop for that dresser we need.

Sue: Any luck?

Bob: Not really, I went by Shoen's but all I saw in the window was modern things, so I didn't bother to stop. Guess we'll have to go into Richmond to get what we want.

CONCLUSION:

The public's image of your business can influence your success or failure.

To summarize, your business image is composed of several elements. The attitude of sales personnel, your store experience, advertising, display, pricing, and even your business name all reflect a certain image. Remember, what the public thinks will actually determine which business they patronize.

What image does your business convey to the public?

Now let's turn to page 2 and learn more about the qualities needed for success in small business.

LEARNING ACTIVITY NUMBER ONE

The purpose of this learning activity is to provide you with an opportunity to assess the seven basic elements which shape your business image. Once you have carefully considered each element, then list one or more improvements which you feel need attention in the near future.

1. Appearance Is the front appealing to customers you wish to attract? Is your business clean and neat? Does the layout of your business convey a favorable impression?

   Needed area(s) of improvement:_____

   _____

   _____

2. Personnel Do your employees convey a caring attitude toward customers? Are they knowledgeable regarding the products and services you sell? Are they neat in appearance?

   Needed area(s) of improvement:_____

   _____

   _____

3. Type of Merchandise Is your merchandise selection complete? Do you carry some items which are not available at competing firms?

   Needed area(s) of improvement:_____

   _____

   _____

4. Price Policy Are your prices too high or too low in relation to competition? If your prices are higher than competition, is there a logical explanation?

   Needed area(s) of improvement:_____

   _____

   _____

5. Customer Services Does your firm offer the correct type of customer services? Do you offer any customer services which give you an advantage over competition?

   Needed area(s) of improvement:_____

   _____

   _____

6. Advertising Is there any conflict between the image you wish to project and your advertisements? Do your advertisements communicate a consistent image of your firm?

Needed area(s) of improvement:_____

_____

_____

7. Operational Continuity Is the service offered at your firm consistent from week to week? Is the quality of your merchandise consistent from week to week?

Needed area(s) of improvement:_____

_____

_____

NOTE: Please turn to page 7 and complete learning activity number two.

LEARNING ACTIVITY NUMBER TWO

Every business owner-manager needs a philosophy of doing business. This attitude will serve to unite all elements which contribute to shaping a business image. At the same time it becomes a policy which customers will associate with your business. Listed below are several basic beliefs regarding operation of a business. Place a check mark in the blank following those statements which are representative of your business philosophy.

1. "We will never be undersold"_____
2. "The customer is always right"_____
3. "Customer satisfaction is our goal"_____
4. "Satisfaction Guaranteed"_____
5. "Service is our most important product"_____
6. "We service what we sell"_____
7. "We don't forget you after the sale"_____
8. "Friendly and prompt service always"_____
9. "The largest selection of automotive products in town"_____
10. "Headquarters for the discriminating customer"_____

Using the above items as a guide prepare a brief statement (one or two paragraphs) which reflect your business philosophy. Share this information with your employees so they understand the type of business operation you want to develop.

_____

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NOTE: Please turn to page 8 and review the preferred reading list.

PREFERRED READING LIST

This instructional module is designed to introduce key concepts regarding ways to create an effective business image. For a more in-depth examination of this topic area, study the following preferred reading.

SMALL BUSINESS ADMINISTRATION SMALL MARKETERS AIDS

#124 "Knowing Your Image"

NOTE: You have now completed the module requirements. You may wish to review this module or advance to another module.

sma 124

Small Marketers Aids
U.S. Small Business Administration

Knowing Your Image

By Roger D. Blackwell

FIRST PRINTED
FEBRUARY 1967

REPRINTED
MAY 1977

"Image" is a commonly used term referring to the way consumers "feel" about a store. The image of your store is what people believe to be true about it and how well those beliefs coincide with what they think it *should* be like.

The image or picture which people have of your store may be accurate. Or their idea about your store may be quite different from actual conditions.

WHY THINK ABOUT YOUR IMAGE?

The small retailer should be concerned about his store's image because the flow of customer traffic depends on it. You may have what you think is the right merchandise, at the right price, in the right style, and in the desired size, color, and quality. But it is what the customer *thinks* of the price, the quality, and the service that is important.

Also important is the impression which customers have of the owner-manager. If they like him because of his personality, they are more apt to have favorable impressions of what his store offers than if they do not like him.

If you haven't done it recently, take a look at yourself. Do you like people? Do you want to serve them? Are you concerned in helping them get value for their money?

If your answers are "yes", they will shine through in your dealings with people. Keep in mind that what the customer *thinks* decides which store receives her continued patronage.

HOW ARE IMAGES FORMED?

Specific features of your store provide the elements that make up its image. By examining each of the elements you can determine the kind of image you want your customers to have.

● PRICE POLICY

A store's price line influences the way people think of its other aspects. Therefore, prices must be consistent with the other elements.

A supermarket learned this fact when it installed carpeting. The plush floor covering created a higher price image. Customers felt that prices had gone up even though they had not.

Yet, it isn't always necessary for a store to give the impression that it is a "bargain center." As a matter of fact, a low-price policy can some times create an unfavorable image. Some customers feel that low quality goes with low prices and refuse to shop where they are promoted. Yet, other customers like bargain stores. In their minds, the importance of price varies with the type of product, family income, and competitive offerings, to name a few of the considerations.

Customers usually make up their mind about a store's prices from the store's advertising, displays, merchandising practices (such as stocking national brands), *and location*. They also rely on their impression of the store's pricing policies rather than on actual knowledge.

Suggestion: Two questions which can be helpful in your image building efforts are:

What price do your customers expect to pay?

Do your customers consider price as important as quality, convenience, dependability, and selection?

SUMMARY

The "image" or impressions which people have of a small retail or service firm are a factor in its success or failure. What they think of a store's prices, products, sales personnel, and advertising, means the difference between repeat or lost business.

This *Aid* discusses the elements that make up a store's image. By examining them, the owner-manager can determine the kind of impressions he wants customers to have. Included are suggestions for changing and maintaining a store's image.

The author, Roger D. Blackwell, is assistant professor of business administration, the Ohio State University, Columbus, Ohio.

● MERCHANDISE VARIETY

Your image improves when customers find in your store a product that they like but don't find in other stores. On the other hand, failure to carry certain items may give a retailer's whole product line a bad name. Similarly, when a customer finds one product in your store that displeases her, she is apt to become much more critical of the rest of your products. The key is in knowing the preferences of your customers.

Suggestion: Eliminate items which give customers a negative image.

Suggestion: Add new items which may improve the store's image. For example, a medium-price store might carry selected styles of a prestige shoe brand. By so doing, the store's other products may be thought to have "prestige" in the minds of its customers.

Suggestion: In fashion merchandise, try to be the first with the newest styles.

Suggestion: Use private brands to help the customer to think of the store as distinctive and personalized. Keep in mind though that the quality of private brand merchandise must be as good as that of competing national brands.

● EMPLOYEES

Salespeople and other employees who are seen by customers affect the store's image. A negative impression is formed if the quality of a store's personnel is considerably above or below the educational level of most of its customers. Whether a store appeals primarily to professional or working people, salespeople should dress and speak in such a way that the customers feel comfortable talking to them.

These conversations, even though sometimes brief, determine whether customers regard the store as friendly and helpful or impersonal and disinterested. One store got a bad image because salespeople talked to each other rather than stepping up to greet customers. Customers had to ask for help and felt that they were interrupting a private conversation. In the same vein, a quality restaurant suffered because of "chatty" waitresses. Customers wanted quiet and decorum when they dined by candlelight.

Suggestion: Decide what your customers like and dislike and determine what image your staff should project. Evaluate the dress, speech, poise, and general appearance of your personnel. Check from time to time to see that employees create an impression which is consistent with your kind of operation.

Suggestion: Train employees in merchandise knowledge and constructive advice on product use. The assistance which members offer can be used in such training.

● YOUR STORE'S APPEARANCE

What people see as they pass by the store is another important element in its image. Even people who never enter a store form an impression from its outside

appearance. That impression may be the reason they don't break their stride when they go by the store.

Inside the store, the layout and the decor reinforce customers' impressions about your products and salespeople. For example, fixtures which are classic in design usually appeal to older and more conservative groups. Very plain, inexpensive-appearing fixtures help to build an image with young families whose incomes are limited. Low ceilings may make the store more personal, and indirect lighting usually makes the customer think of higher quality. Some color schemes are more masculine than others.

Suggestion: The outside appearance of your store should attract potential customers as well as be appealing to your present customers. Inside the store, the fixtures, layout, and displays should create an atmosphere in which the customer will feel "at home."

Suggestion: A self-service store should present an open and "inviting" appearance. Keep aisles clear and avoid clutter around checkout stands.

● TYPE OF CLIENTELE

The image which some people have of a store is determined by the type of people who shop there. Some people, for example, think of a shop as one where professional people usually shop. They think of other stores as ones where blue collar workers usually shop.

Suggestion: If your store does a profitable business by appealing to a certain economic group, don't try to be all things to every one. Look for ways to increase the satisfaction which present customers find in your operation.

● YOUR ADVERTISING

Advertising tells people whether the store is modern or old-fashioned, low-price or high-price, small or large. It also communicates other things of both a physical and psychological nature.

For example, when printed ads are full of heavy black print, customers get an image of low prices. Conversely white space often connotes quality. One food store improved its image by including a personal interest feature in its weekly ad of special prices. The owner-manager ran a recipe, sometimes with the picture of the cook who originated it.

Suggestion: Keep in mind that the appearance of your advertising contributes or detracts from your image. In telling people about the products they want to buy, try to match the appearance and message of your ads to your store's image.

CHANGING YOUR IMAGE

An image is a complex affair, and the owner-manager should not try to change his store's image without careful thought and planning. However, when he is dissatis-

fied with the store image customers seem to have, three questions should be asked:

(1) What kind of image will serve best in the existing market?

(2) What kind of image does the store now have?

(3) What changes can be made to improve the image?

It is important to keep in mind that a small store cannot be all things to all people. In fact, one of the competitive strengths of a small retailer is that he can be different. Many small stores are successful because they specialize and their owner-managers build an image around the particular specialty.

Examples of such images are the high quality store, the low price store, and the special service store.

KEEPING YOUR IMAGE SHARP

Like the human face, a store's image does not stay bright by itself. Unless you want a beard, you have to shave each morning.

Maintaining a store's image—regardless of the type—can be handled in the same manner as you handle other management problems. Review your image periodically just as you periodically review your financial statement. Find potential trouble spots and correct them before they get out of hand.

● LISTEN TO CUSTOMERS

Ask your customers what they like about your store and why they prefer it to others. Their answers give you an idea of the strong points in your marketing mix and its image. They also tip you off about what products and services you should advertise and promote.

All customers speak in sales. What they buy, or don't buy, speaks louder than words. Keeping track of sales by items can help you to determine what customers like or don't like.

Customer complaints can help you deal with reluctant customers—those who shop for one or two items which they can't get elsewhere. In most cases, their reluctance is caused by the image they have of your store. You can change that image only by learning its cause and making adjustments.

You should also look at your competitors. Do some comparison shopping with the goal of trying to find out the strong points which competitors use to create attractive images.

● LISTEN TO NONCUSTOMERS

The owner-managers of some small stores find that there are more people in the neighborhood who *don't* patronize them than who do. Why? Often only one or two

aspects of an operation irritate and keep some people from having a good image of it. Because of a grouchy cashier, for example, such potential customers think poorly of the whole store.

Getting information from noncustomers is difficult. You may be able to pick up tips from your associates in civic clubs and other community organizations. Asking your employees to query their friends is another way to get information. It also gives employees a sense of participation.

● EXCHANGE A CHECK

You can sometimes find a retailer with a store like yours in another part of town or even in a nearby community. He, too, is concerned with image, and by exchanging visits you help each other.

He arranges to spend a day examining your store, looking for factors which are producing defects or inconsistencies in your image. He may see them more easily than you can because he is not involved in your day-to-day operations.

When you return the favor by checking his store, you will find yourself thinking more specifically about the factors that determine an image. The details which you work out in defining his trouble spots should be helpful for improving your own image.

● MARKETING RESEARCH

Some small retailers can use formal marketing research as an aid in keeping their images sharp. They use local, or nearby, talent to conduct a study.

For example, a nearby college or university may be able to recommend a graduate student who could help measure your image as a part of his degree requirements. Or a business professor may be willing to use your store as a case example in one of his classes.

Another source of help in marketing research may be local advertising agencies and media. If you place considerable advertising with a newspaper, radio or television station, they may help you measure your image. Or they may already have studies which include your own store or which would apply to your type of business. You might also get marketing information from your trade association, trade papers, vendors, or a resident buying office, if you use one.

CHECK YOUR PROGRESS

A periodic image review not only spots defects, it also gives you benchmarks to see how well you are obtaining your goals. At some regular period, you should ask how your image has changed and how customers have responded to changes you have made.

A quality which will help you in the progress check is the ability to think like a customer. Try to see your store as the customer sees it instead of the way you see it.

Remember that she forms her image with much less information than you have. Moreover, her image is often affected by a few small, highly visible features which she *feels* are particularly important.

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GPO 908-657